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For Immediate Release  
March 23, 2005

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**ROCKLIN CHIROPRACTOR SENTENCED TO PRISON  
FOR FILING FALSE TAX RETURNS**

SACRAMENTO--United States Attorney McGregor W. Scott announced today that Dr. DAVID R. FUNK, 52, of Rocklin, California, was sentenced to a year in prison for filing false income tax returns. U.S. District Court Judge William B. Shubb also ordered FUNK to serve a one-year term of supervised release following his prison term, and to pay costs of \$1,227 and an assessment of \$200. FUNK, a former chiropractor who operated businesses in the Rocklin area, pleaded guilty on November 3, 2004 to two counts of filing false tax returns for the years 1997 and 1999. Under federal sentencing laws, FUNK will not be released early, and will be required to serve a full 12 months.

This case was investigated by Special Agents of the Internal Revenue Service--Criminal Investigations.

According to Assistant United States Attorney Benjamin B. Wagner, who prosecuted the case, FUNK admitted in his guilty plea that he filed tax returns in which he reported negative adjusted gross income, reflecting his use of two tax evasion schemes that involved the creation of shell companies to hide taxable income and create paper losses. In one of the schemes, taxable income was diverted away from FUNK on paper through a series of corporate entities that in fact had no economic substance. Although he actually earned and used the income, he did not report it on his returns. In the other scheme, FUNK created a joint venture entity which reported bogus "losses," supposedly incurred through advertising expenses, which losses were passed on to FUNK and reported on his personal tax return. In fact, the joint venture entity engaged in no real business, and incurred no real losses. FUNK admitted evading over \$183,000 in federal income taxes during the three tax years from 1997 through 1999.

FUNK admitted that he had been a client of RICHARD MARKS, 61, formerly of Sacramento, who created the tax evasion systems FUNK used in the late 1990s. MARKS was a leader of the Anderson's Ark & Associates organization, and was convicted of money laundering in U.S. District Court in Sacramento in 2002. MARKS was sentenced on November 14, 2002, to 81 months in prison. At least a dozen other members of the Anderson's Ark & Associates ("AAA") organization have been convicted in federal criminal cases since mid-2001, and numerous AAA clients have been prosecuted for tax evasion. MARKS and several other AAA leaders were recently convicted of federal tax evasion and fraud charges in Seattle, Washington.

In sentencing the defendant, Judge Shubb told FUNK that he had committed a serious crime, and that the sentence should serve as a warning to others who were contemplating similar conduct.

FUNK told the Court during the sentencing hearing "I recognize that I've done wrong." He told the Court that he was working to correct his tax returns, and that he wanted "to get back to being a tax paying citizen."

Additional information about tax fraud schemes to watch out for can be found on the IRS Criminal Investigation website. <<http://www.ustreas.gov/irs/ci/>>

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